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Report Highlights

Virginia School for the Deaf and Blind

July 1, 2012, through June 30, 2015

May 2016

Audit Summary

Our audit of the Virginia School for the Deaf and the Blind (the School) for the period July 1, 2012, through June 30, 2015, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth Accounting and Reporting System and Cardinal
- four internal control findings
 - ◊ three of which are repeat findings from the prior audit
 - ◊ two of which are also instances of noncompliance with applicable laws and regulations

Repeat Internal Control and Compliance Findings

Document Firewall Policies and Procedures and Continue to Develop and Implement an Information Security Program

The School received an exception from the Commonwealth's Information Technology (IT) Infrastructure Partnership in 2012 and assumed operational and management responsibility of its instructional and student networks. The School continues to operate its firewall that protects these networks without documented policies and procedures. The School also continues to operate without IT risk management and contingency plans and without an information security program. The School procured IT services with a third-party vendor to assist in developing an information security program, but has no timetable, resources, or plan to complete the remainder of its information security program, which will likely require assistance from third-party resources.

Improve Construction Contract Accounting

The School does not have adequate controls over the accounting for Construction in Progress. The School misstated costs for numerous buildings recorded in the Fixed Asset Accounting and Control System (FAACS) for a net understatement of approximately \$3.6 million and did not properly remove three demolished assets associated with the construction project from FAACS.

Internal Control Findings

Repeat Finding

Properly Record School Revenues

The School continues to record school revenues by using intra-agency expenditure recoveries instead of recording receipts as revenues. The School should review all revenues currently included in these accounts and determine how to properly account for them. Inappropriate use of these codes understates actual expenses and circumvents the budget process.

New Finding

Obtain Adequate Reimbursement from Foundation for Services Provided

The School has three employees that perform duties for the Virginia School for the Deaf and the Blind Foundation without adequate reimbursement to the School. The School could not support its calculation and does not have documented policies and procedures for reimbursement of the salaries for these state employees performing Foundation duties.



See the full report at
www.apa.virginia.gov

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